

Decentralisation of Public Employment Services

Hugh Mosley

1. Types of decentralization

- Managerial (administrative) decentralisation

regional and local PES offices are given increased operative flexibility in implementing national policy objectives

- Political decentralisation or devolution

more far-reaching delegation of responsibility from the national PES to the sub-national (regional, state, or municipal) levels of government

2. Managerial decentralisation

- Usually takes the form of performance management with management by objectives (MBO)
- Decentralisation is ambiguous
- Now widespread if not universal in EU public employment service organisations, in some form

3. Political decentralization

- The implementing agencies are no longer subordinate departments of a central administration but autonomous political entities
- PES decentralisation concentrated in the area of active policies
- Employment services for jobseekers on social assistance are a special case and frequently more decentralised

4. Forms of political decentralisation

- Federalism (e.g. Canada, USA, Switzerland)
- Regionalisation (e.g. Belgium, Italy and Spain)
- Municipalisation
 - for all jobseekers (Denmark, Norway and Poland)
 - for social assistance recipients (the Netherlands, Germany and Finland)

5. Reasons for political decentralisation

- Part of a broader devolution of governmental powers (Canada, Italy, Spain and Poland)
- Strong national traditions of federalist decentralisation (USA, Switzerland)
- Labour market policy goals (Denmark, Finland, Germany, Netherlands and Norway)

6. Elements of flexibility

- Budget flexibility
- Programme flexibility
- Organization of service delivery and staffing
- Targets and strategic goals

7. Budget flexibility

- Global budgets instead of line-item budgets for active measures
- Flexibility in carrying over unspent funds into the next budget year
- Flexibility in shifting funds between program and administrative budgets
- Fiscal decentralisation, i.e. re-allocation not only of tasks but also revenues (e.g. revenue sharing or block grants)

8. Programme flexibility

- Broad leeway in adapting programs to meet local needs
- Limited flexibility (e.g. share of budget available for innovative programs, design waivers)
- Versus: centrally determined program menu

9. Organization of service delivery and staffing

- Can organisational structures and work processes be adapted to local needs or are they centrally standardized?
- Are regional or local agencies free to decide what services to contract out and to manage the tendering process?
- To what extent are they free to hire, recruit, personnel and to assign them to tasks at their own discretion?

10. Targets and strategic goals

- Performance targets may be hierarchically imposed or based on dialogue and include regional and local goals;
- Flexibility also depends on the type of targets that are centrally set;
- In political decentralisation national policy frameworks and performance targets are weaker and in some cases non-existent.

11. Discussion: Issues and Challenges

- How much central accountability is necessary and how is it best achieved?
- Decentralisation is not only an issue of accountability but also of local capabilities.
- PES agencies with little local management discretion cannot work effectively with local actors.
- Political decentralisation may lead to greater or less fragmentation depending on the national setting and how it is implemented.
- To what extent is variety in employment services acceptable and what service standards should be obligatory.



Thank You!

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